



Kentucky



Commercial Mobile Radio Service Board

# FY 2012 Annual Report

July 2011– June 2012

**Kentucky CMRS Board/  
Office of the 911 Coordinator**

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## **Message From the CMRS Board Chairman**

### **Message From the CMRS Board Chairman**

#### ***To the “First” First-Responders***

What an interesting year it has been. The CMRS Board has worked on a variety of issues relevant to the support and improvement of quality 9-1-1 services to the citizens of Kentucky.

#### **Next Generation 9-1-1**

The CMRS Board continues to work toward the implementation of Next Generation 9-1-1 technology on behalf of the Commonwealth’s PSAPs. We continue to engage various vendors in the establishment of working models of interconnectivity utilizing the legacy networks operating within the Commonwealth. The CMRS Board has also been able to assist several agencies in the updating of equipment to allow for the testing of these NG911 pathways. These working models that cross not only legacy systems, but also every type of geopolitical boundary, clearly demonstrate the willingness of everyone involved in the delivery of 9-1-1 to cooperate for the greater good.

#### **Digital Mapping**

The CMRS Board is fully committed to providing a fully functional statewide electronic map that delineates the PSAP boundaries of each center. While the vast majority of PSAPs have a local digital map that is working well for them, we do not have a seamless statewide digital PSAP map. As we continue to move into the NG911 realm and see the demise of traditional wireline telephones the importance of this mapping product becomes more and more important.



#### **Quality Data Collection**

As part of the recertification process PSAPs complete a questionnaire each year that is designed to insure that quality services are being provided to our communities. Pursuant to legislative action the survey has been expanded to gather additional information. That information will be used to provide the CMRS Board and eventually the state legislature with an understanding of the revenue streams supporting PSAPs, costs of operation and the increasing demands placed on the 9-1-1 community.

#### **Surcharge Collection**

The CMRS Board has been actively pursuing the correct collection of surcharge fees due to the Board on behalf of the wireless service providers and PSAPs of the Commonwealth. Unfortunately, a few of the wireless service providers have not correctly remitted the 9-1-1 surcharge fees that the CMRS Board should receive by statute. The Board initiated legal proceeding against those vendors and has been successful in both state and federal courts during both initial and appeal proceedings. The Board is committed to staying the course through the final resolution of these proceedings.

#### **PSAP Grants**

The CMRS Board will offer a round of PSAP grants in calendar year 2013. This round of grants is aimed primarily at providing resources to those agencies that are moving toward NG911. Funds may also be available to assist in the provision of mission critical application on an emergency basis.

Yours in Public Service

***Dale W. Edmondson***

Chairman, Kentucky CMRS Board



## Message From the Administrator

**Steven L. Beshear**  
Governor



**Joe Barrows**  
Administrator

**OFFICE OF THE GOVERNOR  
KENTUCKY OFFICE OF HOMELAND SECURITY  
Office of the 911 Coordinator/  
CMRS Board**

On behalf of the staff and members of the CMRS Board I am pleased to present the FY2012 Annual Report of the CMRS Board of Kentucky.

The ‘final’ version of last years report devoted significant space to reporting information on 911 costs and funding gathered pursuant to the authority/ responsibilities given to the Board by SB119 (2011 session).

This years reports updates some data but focuses more on analyzing funding data with an eye on options to address funding issues—the most glaring of which is the disparity between what prepaid phones contribute on average (about 40¢) each month in 911 fees compared to the ‘understood’ level of support of 70¢ per phone per month paid by postpaid connections.

That disparity is an unintended result of amendments to the CMRS statute in 2006 which permits providers of prepaid service to calculate their remittance using a formula based on their prepaid revenues in lieu of simply multiplying 70¢ times their subscriber count. This disparity costs the 911 system \$3.5 million annually .

There is no rationale which can justify the ‘dual’ levels of support and it should be rectified ASAP. This report identifies legislative options to address the disparity issue.

The significance of SB119 can’t be underestimated—no other state has the amount and type of data that we have or the ability to acquire it.

I firmly believe that there is a funding crisis in 911 that is just now becoming apparent to state and local government leaders—the data confirms it. I believe that the wireless community (users and providers) are not paying their share of 911 costs particularly when compared to traditional wireline users and local governments—the data shows that—and while the Board cannot yet produce a “financial statement” for all of 911 statewide we are moving in that direction ultimately and the data we collect will give us the real ability to evaluate 911 funding statewide and provide the supporting evidence on whether the 70¢ surcharge is sufficient.



This new role of data collection that the Board now has will be critical in the process used by policy makers to modernize and fund 911 services in Kentucky.

## CMRS BOARD MEMBERS



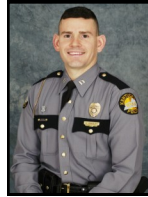
Dale Edmondson



Joe Barrows



Charles Willis



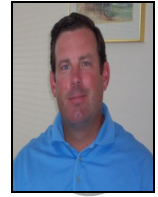
Cpt. John Bradley



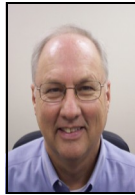
Forest Skaggs



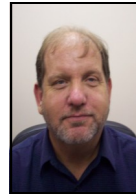
Shelby Horn



Brad Johnson



Steve Tracy



Mike Phillips



Dan Kemp

**Dale Edmonson** is the 911 Director for Campbell County Consolidated Dispatch. He serves as a representative of Directors of a certified public safety answering point operated by a local government entity or a consolidated group of local government entities. His term will expire on August 15, 2015

**Joe Barrows** is the Administrator of the Kentucky CMRS Board and the State 911 Coordinator. He serves by virtue of the position.

**Charles Willis** is the Vice President of Telecom Services with Bluegrass Cellular. He serves as a representative of Tier III CMRS Providers. His term will expire on August 15, 2015.

**Captain John Bradley** serves as the Kentucky State Police Commissioner's Designee. He serves by virtue of the position.

**Forest Skaggs** is the Executive Director of the Kentucky Telephone Association and serves as a representative of local exchange landline telephone companies. His term expires on August 15, 2014.

**Shelby Horn** is the 911 Director for Jessamine County E911. She serves as a representative of the Kentucky Emergency Number Association and the

Association of Public Safety Communication Officials. Shelby's term will expire on August 15, 2013.

**Steve Tracy** is the E911 Coordinator for the City of Versailles. He serves as a representative of the Kentucky Emergency Number Association and the Association of Public Safety Communications Officials. His term expires August 15, 2015

**Mike Phillips** is the Director of Emergency Services for Bullitt County. He serves as a representative of the Kentucky Firefighters Association, the State Association of Chiefs of Police, and the Kentucky Ambulance Providers Association. His term expires August 15, 2015.

**Brad Johnson** is an Account Executive at Sprint and serves as a representative of all CMRS providers. His term expires August 15, 2014.

**Marsha Penney** is a retired 911 Director with Marshall County E911 Communications Center. She serves as a representative of the Kentucky Firefighters Association, the State Association of Chiefs of Police, and the Kentucky Ambulance Providers Association. Her term will expire on August 15, 2011.

## CMRS BOARD STAFF



Tandy Hubbard  
Policy Advisor



Joe Barrows  
Administrator



Krista Harrod  
Executive Assistant

**Joe Barrows** was appointed by Governor Beshear as the State 911 Coordinator and Administrator of the CMRS Board in July 2009 but his familiarity with CMRS goes back more than 10 years. Joe, an attorney from Versailles, served 27 years in the General Assembly as the State Representative from Woodford County. He served 10 years as the majority Whip and in 1998 sponsored HB 673 which created the CMRS Board and HB 656 which updated the original legislation and created the CMRS grant fund. KENA/APCO recognized Joe for a career of legislative contributions to the 911 community.

**Tandy Hubbard** joined the Office of the 911 Coordinator/CMRS Board in May 2005 after serving as an intern during the summer of 2004. Tandy Graduated Magna Cum Laude from the University of Kentucky in August 2005 with a Bachelor of Arts Degree in Integrated Strategic Communications with an emphasis in Geography. Tandy manages the CMRS grant program and handles the financial and office management responsibilities of the Board.

**Krista Harrod** joined the team in June 2010 as a summer intern, and is now an Executive Assistant full-time with the CMRS Board. Krista has Bachelor Degree in Accounting as well as an Associates Degree in Culinary Arts. Krista assists with the financial responsibilities of the CMRS Board and handles the day-to-day office operations.

## **Fiscal Year 2012 Highlights**

### **July 2011**

Dale Edmondson elected Chair of CMRS Board; Chuck Willis Vice Chair. Cost Recovery put on hold.

### **August 2011**

CMRS Staff ramp up SB 119 data collection—Stakeholder meeting held, carrier surveys explained and sent to all carriers

### **September 2011**

Judge Heyburn issues final decision in CMRS Board vs. TracFone—awards the Board \$4.7 million in ‘unremitted’ 911 fees and \$425,000 in attorney fees.

### **October 2011**

TracFone appeals Heyburn’s decision

### **November 2011**

TracFone sues Board in Florida. “HELP 911” article appears in KACO’s County Line magazine.

### **December 2011**

Court ordered TracFone mediation/settlement discussions fail. Oral arguments set for October 2012.

### **January 2012**

Tom Middleton leaves CMRS staff to work for Ohio Legislative staff.

### **February 2012**

Audit contract awarded to Ross and Co. for three fiscal years for \$79,860.

### **March 2012**

Five county cooperative grant awarded to Oldham, Shelby, Bullitt, Washington and Nelson

### **April 2012**

TracFone’s Lawsuit against the CMRS Board dismissed by Florida state court

### **May 2012**

RFP for ESI Network released by procurement office—vendor conference held. CMRS staff visit Morgan/Meniffee Counties to observe tornado damage

### **June 2012**

ESI Network RFP on street—two responses received. KY Court of Appeals issues decision in CMRS Board vs. Virgin Mobile upholding damages on ‘unremitted fees’ but reversing the award for attorney fees.

### **July 2012**

1<sup>st</sup> CMRS Board meeting by teleconferencing

## **CMRS Board Information/ Analysis—Senate Bill 119**

Senate Bill 119 was passed during the 2011 Regular Session of the Kentucky General Assembly. It directs the CMRS Board to gather and report data and information regarding 911 funding and costs in Kentucky by August 1, 2011 and annually thereafter.

As part of SB 119, KRS 65.7630 allows the Board to determine the information it needs to evaluate 911 funding and costs. The Board put a plan in place to acquire more information from local governments, state governmental agencies, and wireless and wireline service providers. This report contains the second analysis of the information the Board has acquired in response to SB 119 requirements.

Information gathered pursuant to SB119 provides basis for an historical analysis of 911 funding with an eye on funding options for the future.

The following pages are selected slides from an annual report PowerPoint presentation related to 911 funding.

### **911 Funding Overview**

- Pre-1998
- 1998--June 2006
- June 2006--Present
- 2013--Forward

### **911 Funding—Pre-1998**

- Local governments establish local 911 service by ordinance
- Most establish dedicated funding source—local 911 fee on landline phones
- Entire cost of 911 paid locally



## **911 Funding—1998-June 2006**

- 1998—CMRS Board, CMRS Fund and 911 fee created by statute
  - Statewide 911 fee of 70¢ per month per cell phone established
  - Applies to all wireless providers—i.e. prepaid and postpaid.\*
- CMRS distributes state ‘wireless’ funds to local PSAPs and Providers by formula
- 2003-2005—Many providers unilaterally stop remitting 911 fees on prepaid services, costing the CMRS fund millions.\*
- Number of wireless devices (cell phones) increases each year—CMRS fund revenues increase each year.
- Locally, wireline phones begin steady decline, and local revenues begin to decrease.

\*Court Cases

## **911 Funding—July 2006-Present**

- 2006 amendments create a dual system of calculating 911 fee on cell phones—unintentionally creates disparity between prepaid support and postpaid support.
  - Prepaid—Average 40¢ per phone per month
  - Postpaid—70¢ per phone per month
- **Amendments cost the CMRS fund \$15-\$18 million since enacted**
- Annual CMRS fund revenue levels off at \$24 million in FY 09
- Locally, wireline revenues drop to \$30-35 million annually statewide—locals lose an estimated \$12 million in local wireline funds since 2006—local General Funds supporting 911 increase and landline fees increase to offset losses.

## 911 Funding—Today

- 3 Primary Sources:
  - Local Dedicated Fees—primarily a monthly fee on landline phones (and Cable VOIP) Est. \$28-\$32million annually\*
  - Local General Funds—subsidize cost of providing 911 service from city and county budgets
  - State Dedicated Fee—on 'CMRS' wireless connections \$24 million annually (only \$18 million goes directly to PSAPs)

\*Carrier Survey--\$31 Million

\*PSAP Survey--\$25 Million

## 911 Funding—Today—Local Contribution

Landline Revenues	\$31 Million (32%)
Cell Phone Revenues	\$18 Million (20%)
<u>Local General Funds</u>	<u>\$42 Million (48%)</u>
Total Local 911 Budget	\$91 Million

State Police(16 x 1.495 Million) \$24 Million  
Total 911 costs ??? \$125 Million

From Local Survey, PSAP Survey, Carrier Survey

## **911 Funding—Wireline Component**

- 114 of 120 counties impose a local 911 fee:
  - 112 Counties utilize a 911 landline fee
  - Fee varies from county to county
  - Fee ranges from \$0.50 to \$4.50—avg \$1.50-\$2
  - Only 5 counties have a landline fee lower than the 70¢ wireless fee
- \$28-32 million generated annually statewide
- Shrinking base—25% reduction in landlines in last decade

## **911 Funding—Local Funds Component**

- Largest contributor to 911 services—pays est. 48% of total costs compared to
  - Landline Fees—32%
  - Wireless Fees—20%
- Local budgets ‘strapped’—can’t pick up lost landline revenue
- Growing friction between some cities and counties
- No firm numbers on total 911 expenditures, city appropriations, county appropriations
- 75 certified PSAPs receive local funds from city and county budgets

## 911 Funding—PSAP Resources

	Small PSAP	Medium PSAP	Large PSAP
Wireless calls	4,700 (36%)	20,000 (68%)	178,000 (80%)
Wireline calls	8,500	9,400	4,400
Wireless fee revenue	\$147k (26%)	\$175k (20%)	\$840k (13%)
Wireline fee revenue	\$410k (74%)	\$415k (46%)	\$2.8m (41%)
Combined fee revenues	\$557k	\$590k	\$4.64m
Local (city/county)	0	\$305k (34%)	\$3.1m (46%)
Total Annual Budget	\$580k	\$895k	\$6.7m

## 911 Funding—PSAP Stats\*

Total Board Certified PSAPs- 116

Total 911 Call Taker Seats- 380

### Personnel

Full Time- 1220

Part Time-291

### PSAP Calls

Admin Calls- 7,485,211

911 Calls:

Landline- 1,225,479 (33%)

Cell Phone- 2,456,778 (67%)

**TOTAL 911 Calls 3,682,257**

\*2012 Annual Survey



## 911 Funding—Wireless Component

- Total Wireless Subscribers— 3,555,000 (March 2012)
- Revenue Generated--Stagnant
  - FY 2010--\$23,963,736.18
  - FY 2011--\$24,777,652.44
  - FY 2012--\$24,542,365.96
- CMRS funds distributed to Local Government (PSAPs)—70% by formula
  - FY 2012--\$18,462,333.98
- CMRS Fund 'pie' is being cut into more pieces with each new PSAP certification-Total certified PSAPs 120 up from 86 in 2006
- Affect of 2006 Amendments—significant disparity between prepaid and postpaid phones
  - \$3.5 million 'loss' annually
  - \$15-\$18 million since 2006

## 911 Funding—Wireless Component: Wireless Phones Not Paying Their Share of 911 Costs

Statistics	Wireline	Wireless
Subscribers in KY—2001	2.3 million	1.28 million
Subscribers in KY—2011	1.6 million	3.6 million
911 Calls	35%	65%
Annual Revenue Statewide	\$28-33 million	\$24 million
Contribution to 911 Funding	Local Fee 32%	Wireless Fee 20%

## **911 Funding—Cell Phone Component: Rule 1**

- Every cell phone device should support the system the same—regardless of whether the phone is using prepaid minutes, postpaid minutes, or free minutes
  - each active cell phone should pay the same 911 fee of 70¢ per device per month.

## **911 Funding—CMRS Component: Prepaid Disparity**

Simple equation-

Total subscriber count	3,360,719(Dec 2011)
Times 70¢ per subscriber =	<u>x .70¢</u>
Monthly Revenues	\$2,352,503
Times 12 months(annualized)	<u>x 12</u>
Estimated Revenue for FY 2011	\$28,230,039

Actual Revenue Collected for FY 2011	<u>-\$24,777,652</u>
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Difference attributable to prepaid disparity	<b>\$3,452,387</b>
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## 911 Funding—Cell Phone Component: Prepaid Disparity- “Option B”

KRS 65.7635(1)(b)- “Option B” formula: Total KY prepaid revenue divided by \$50 multiplied by .70¢=prepaid fee remittance

Compare ‘Option B’ to 70¢ per month

• Total Subscribers (December 2011)	3,360,719
• Prepaid Subscribers(20.5%)	688,947
• Prepaid Revenue (\$27.50 ARPU)	\$18,946,053

Apply “Option B” Formula (Divide by 50 x .70¢)= \$265,244

• Est. Annual Prepaid remittance	\$3,182,936
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Annual Remittance @ 70¢ \$5,787,154

Annual Remittance “formula” -\$3,182,936

Disparity—Annual ‘lost revenue’ \$2,604,218

## 911 Funding – 2013 Forward

Options to Improve Revenues:

- Local Options
- State Options

## **911 Funding—Options to Improve Local Revenues**

### Local Options

- KRS 65.760—What does it allow?
- Raise Landline Fee
- Collect 911 Fee on Other Bills (Utility bill, property tax bill)
- Kenton County Experience

## **911 Funding—2013 Forward: Options to Improve 911 Revenues from Cell Phones**

### State Options

- Eliminate the current disparity between prepaid and postpaid
  - Reclaims \$3-\$4 million annually
- Amend the distribution formula to eliminate “cost recovery”
  - Frees up \$4.25 million
- Raise the fee from 70¢
  - \$1.00 raises \$17 million new revenue
  - \$1.50 raises \$38 million new revenue



## **911 Funding—2013 Forward: Restore Prepaid/Postpaid Parity**

- Re-establish the equity and uniformity between prepaid and postpaid devices—all cell phones should support the 911 system the same.
- Three options:
  - 1.) Amend KRS 65.7635(1)(b)—“Option B”
  - 2.) Adopt another method of collecting prepaid—retail point-of-sale at an equivalent rate of 70¢ per cell phone per month
  - 3.) Repeal 2006 amendments—return to original process where providers remit 70¢ per cell phone monthly

## **911 Funding—Amend “Option B”**

### **65.7635 Duty of commercial mobile radio service providers to act as collection agents for fund -- Procedure for collection of service and prepaid service charges.**

(1) Each CMRS provider shall act as a collection agent for the CMRS fund. From its customers, the provider shall, as part of the provider's billing process, collect the CMRS service charges levied upon CMRS connections under KRS 65.7629(3) from each CMRS connection to whom the billing provider provides CMRS. Each billing provider shall list the CMRS service charge as a separate entry on each bill which includes a CMRS service charge. If a CMRS provider receives a partial payment for a monthly bill from a CMRS customer, the provider shall first apply the payment against the amount the CMRS customer owes the CMRS provider. For CMRS customers who purchase CMRS services on a prepaid basis, the CMRS service charge shall be determined according to one (1) of the following methodologies as elected by the CMRS provider:

(a) The CMRS provider shall collect, on a monthly basis, the CMRS service charge specified in KRS 65.7629(3) from each active customer whose account balance is equal to or greater than the amount of service charge; or

(b) The CMRS provider shall divide its total gross\* prepaid wireless telephone revenue received with respect to its prepaid customers in the Commonwealth within the monthly 911 emergency telephone service reporting period by ten dollars (\$10)\*, multiply the quotient by the service charge amount, and pay the resulting amount to the board; or

(c) In the case of CMRS providers that do not have the ability to access or debit end-user accounts, and do not have retail contact with the end user or purchaser of prepaid wireless airtime, the CMRS service charge and collection methodology may be determined by administrative regulations promulgated by the board to collect the service charge from such end users.

\*Define 'prepaid revenue' as gross revenues and use a more accurate ARPU

## 911 Funding—State Options: Amend “Option B” Pros & Cons

- **Amend KRS 65.7635 (1)(b) “Option B”**

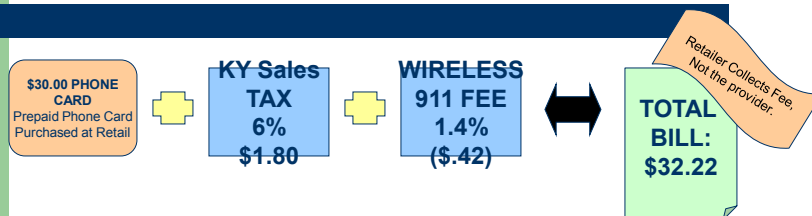
### Pros

- Simple bill to draft
- Keeps current payment method in place
- Can get close to establishing ‘parity’ between prepaid and postpaid

### Cons

- Retains ‘Option A’ which is ‘under collected’
- Retains ‘Dual Assessment’ on same service (tax prepaid & postpaid services differently)
- Locks in a ‘formula’ which changes over time—repeats same mistake of 2006 amendments
- Definition of prepaid revenue needed
- Treats Providers Differently—Those with actual revenues higher than the average will remit more ‘per subscriber’ than companies with low ARPUs

## Retail Point of Sale –Collection of 911 Fee For Pre-Paid Phone Cards



- Retailer sends 911 fee to Kentucky Department of Revenue –keeps 3%.
- Department of Revenue sends 911 fee to CMRS Board –keeps 2%.

### The Problem With ‘Point of Sale’:

The proposed Point of Sale percentage for the 911 fee does NOT generate the same amount as would be generated if each prepaid phone paid 70¢ per month. The current disparity between prepaid and postpaid level of support for 911 would continue.

## 911 Funding—State Options : POS Pros & Cons

### • Point of Sale Legislation

#### Pros

- Has provider support, some national momentum
- Will collect from prepaid users

#### Cons

- Does not collect the same from prepaid users—“short changes” 911
- Attempts to lock in, continue the disparity between prepaid & postpaid—uses the same formula as “Option B”
- POS percentage needed to achieve parity is much higher than anywhere it has been passed; flat fee is regressive
- Creates two different assessment and collection methods for cell phones
- Leakage from non compliance plus Revenue Department and retailers get a cut
- Retailers oppose the legislation
- Must determine what POS % or flat fee is needed to generate an “equivalent” amount—never been done
- No mechanism to adjust POS fee to achieve or maintain parity with the postpaid fee

## 911 Funding—Repeal 2006 Amendments

### **65.7635 Duty of commercial mobile radio service providers to act as collection agents for fund - Procedure for collection of service and prepaid service charges.**

- (1) Each CMRS provider shall act as a collection agent for the CMRS fund. ~~From its and customers, the provider shall, as part of the provider's billing process, collect the CMRS service charges levied upon CMRS connections under KRS 65.7629(3) from each CMRS connection to whom the billing provider provides CMRS. Each billing provider shall list the CMRS service charge as a separate entry on each bill which includes a CMRS service charge. If a CMRS provider receives a partial payment for a monthly bill from a CMRS customer, the provider shall first apply the payment against the amount the CMRS customer owes the CMRS provider. For CMRS customers who purchase CMRS services on a prepaid basis, the CMRS service charge shall be determined according to one (1) of the following methodologies as elected by the CMRS provider:~~
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- (b) ~~The CMRS provider shall divide its total gross prepaid wireless telephone revenue received with respect to its prepaid customers in the Commonwealth within the monthly 911 emergency telephone service reporting period by ten dollars (\$10), multiply the quotient by the service charge amount, and pay the resulting amount to the board; or~~
- (c) ~~In the case of CMRS providers that do not have the ability to access or debit end-user accounts, and do not have retail contact with the end user or purchaser of prepaid wireless airtime, the CMRS service charge and collection methodology may be determined by administrative regulations promulgated by the board to collect the service charge from such end users.~~

## **911 Funding—State Options: Pros & Cons**

### **• Repeal 2006 Amendments**

#### Pros

- Returns to 'original' intent that all devices pay the same monthly fee—eliminates disparity
- Remitted by providers at the wholesale level—simple collection/remittance process; easy to administer and audit
- Validated by court decisions\*

#### Cons

- Prepaid providers don't like because they say they can't collect the fee directly from user.

## **911 Funding—State Options: Pros & Cons**

### **• Raise 911 Fee on Cell Phones**

#### Pros

- Wireless is not paying its 'fair share' of 911 costs (vs landline)
- Has never been raised since initially set at 70¢
- Small increase can raise significant revenue
- Easy option to understand

#### Cons

- Raising a fee in an 'election year' is difficult
- Local Government and 911 community haven't made the case that it is needed based on lost revenues and new demands
- Opposed by providers who will argue that the current system is wasteful, inefficient
- Doesn't by itself address the 'disparity' between prepaid and postpaid; would make it worse



## **911 Funding—State Options: Pros & Cons**

- **Repeal ‘Cost Recovery’ Statute**

Pros

- Outdated, no longer needed, other states have repealed it
- Frees up \$4.25 million for other uses

Cons

- Still owe providers for approved invoices
- Likely to be opposed by providers
- May need ‘cost recovery’ to incent NG911 activity by carriers

## **911 Funding—New Demands**

### **Next Generation 9-1-1**

- Modernization of 9-1-1 services by implementing a system which delivers 9-1-1 calls using an ESI Network (internet)
- New costs associated with the development and management of the ‘network’
- New costs associated with PSAPs migrating to the network
- New costs associated with operating 2 systems during the ‘migration’ which may take several years
- FCC will require it—not “if” but “when”

## **911 Funding—Looming Crisis**

### **Converging Forces**

#### **Funding Demands**

- Current status of 9-1-1 equipment across the state—equipment, hardware and software needs to be upgraded and/or replaced
- New demands and costs associated with Next Generation 9-1-1

#### **Funding Status**

- Shrinking landline revenues
- Stagnant wireless revenues
- Stretched City and County budgets and general funds

## **911 Funding: Summary**

- Stagnant/shrinking revenues
- Increased Demands
- Wireless not paying its share overall
  - Prepaid not paying the same as postpaid
- Local solutions not sufficient
- State solutions—not on the agenda

## CMRS Grant Report

**Grant Committee Chairman:** *Captain John Bradley*

**Committee Members:** *Shelby Horn, Steve Tracy, Don Kiely, David Lucas and Kevin Woosley*

**Staff:** *Tandy Hubbard*

The CMRS Board's effort to procure a statewide NG911 network resulted in additional delays for a coordinated and competitive CMRS Grant offering. The exact amount of resources –and the current location of those resources needed to procure, build, own and operate a NG911 network remains unknown. While CMRS Grant funds may not be needed for actual network costs, the expenses involved with extending the network to each PSAP may need to be distributed in an grant-like award.

Due to these “unknowns,” the CMRS Board held off from any major CMRS Grant awards but did fund a few projects proposed to them in Fiscal Year 2011. They include:

- **Northern Kentucky NG911 Project** - \$348,500 in CMRS Grant Funds was committed to a project migrating seven Northern Kentucky Counties to a regional Next Generation 911 network. Each PSAP involved also received an update to IP call handling equipment within their PSAP. This project qualified for reimbursement under the Board's Federal E911 Grant award.
- **Marion County Fiscal Court** - \$125,000 in CMRS Grant Funds specifically committed to assist communities not served by E911 was awarded to Marion County to assist in their efforts to begin the migration to E911.
- **Muhlenberg County 911** - \$14,214 in CMRS Grant Funds was awarded to Muhlenberg County to fulfill an urgent need to replace IT equipment in the PSAP that served as back-up servers. This project qualified for reimbursement under the Board's Federal E911 Grant award.
- **Regional IP Project** - \$89,884.04 in CMRS Grant Funds was awarded to support the implementation of a host/remote IP call handling system in five Central Kentucky Counties. This project involved both the purchase of new equipment as well as the provisioning of existing equipment capable of serving as host devices.
- **Federal Grant-** The Kentucky CMRS Board filed an original spending plan for the \$1.165 million National 911 grant with one major project element; the standing up of a statewide NG911 ESI Network. While the Board made a concerted effort to complete the project as initially described, there were unanticipated delays outside the Board's control which changed the final scope of the grant fund spending plan and projects.

The delayed release of the Board's RFP for the NG911 ESI Network by the State Procurement Office created the likelihood that the Board would be unable to utilize the grant funds for that purpose by the deadline date, even if a Network RFP was awarded. Ultimately, each vendor response to the RFP was deemed “unresponsive” by the State Procurement Office so there was never the opportunity to utilize the grant funds for that portion of the original project description.

The Board recognized that the original spending plan might not be achievable for timing reasons early enough to seek guidance from the National 911 Office administration on the other options to utilize the grant funds. Based upon that input, the Board decided to amend its original spending plan to include other projects the Board had also been engaged in during the grant timeframe that met the grant criteria. This process resulted in identifying 18 separate qualifying projects which became part of the Board's amended spending plan.

## CMRS PSAP Report

**PSAP Committee Chairman:** *Steve Tracy*

**Committee Members:** *Forest Skaggs, Dale Edmondson, Shelby Horn, Malissa Carter, and Dustin Abbott*

**Staff:** *Tandy Hubbard and Krista Harrod*

Six new PSAPs were Phase II certified by the CMRS Board in Fiscal Year 2012: Bullitt County, Meade County, Nelson County, Clay County, Edmonson County and McCreary County. Currently, a total of 116 PSAPs maintain CMRS certification with the CMRS Board of which 16 are Kentucky State Police Posts.

For Fiscal Year 2012, quarterly PSAP Pro Rata payments totaled \$8,584,533 and quarterly PSAP Volume payments were \$8,515,068.

The PSAP Volume payment is based on the total wireless subscribers reported in a PSAP's jurisdiction and is distributed on the 1<sup>st</sup> of the payment quarter month.

The PSAP Pro Rata payment is distributed on the 15<sup>th</sup> of the payment quarter month and is an equal payment each certified PSAP receives determined by dividing the number of wireless PSAPs eligible for payment into the revenue received in the Pro Rata account during the quarter.

PSAP payment months are February, May, August and November and payments are calculated based on remittances received in the most recently closed calendar quarter.

The PSAP Committee also continues to oversee the Board's PSAP Geo Audit and Re-Audits performed by Stantec. To date, no PSAPs that have been re-audited have failed and that is a huge accomplishment.





## **CMRS Cost Recovery Report**

**Cost Recovery Committee Chairman:** *Mike Phillips*

**Committee Members:** *David Lucas, Dan Kemp, Brad Johnson, Mitch Mitchell and Paul Nave*

**Staff:** *Tandy Hubbard*

At its final meeting of FY 2011, the Board voted to table consideration of newly submitted carrier invoices as a prelude to a comprehensive review of the Cost Recovery Program and the discrepancy between available funds and requested reimbursements.

As of the June 30, 2011 the CMRS Board had \$12,735,840.59 worth of approved cost recovery invoices, yet to be paid.

For the Fiscal year 2012 the Board adopted the following policy regarding cost recovery.

1. The Board would continue to receive invoices from carriers participating in the Cost Recovery Program
2. The Board would not approve any “new” invoices beyond what had been received through June 30, 2011
3. The Board would continue to pay Cost Recovery to participating carriers on a pro rata basis for invoices approved through June 30, 2011

The Board paid a total of \$6,166,718.18 in Cost Recovery payments during FY 2012 to the following companies

*AT&T Wireless  
Bluegrass Cellular  
Cricket Communications  
East Kentucky Network  
Ntelos  
Sprint*

At the end of FY 2012 there remains a balance of \$6,935,408.48 in approved cost recovery invoices. The annual receipts in the cost recovery fund are approximately \$4.3 million.

The Board relied upon 202 KAR 6:020 as the basis for adopting the policy.



## CMRS NG911 Initiative Report

**Standards Committee Chairman:** *David Lucas*

**Committee Members:** *Captain John Bradley, Forest Skaggs, Joe Barrows, Sandy Ott, Don Kiely, Mitch Mitchell, Derek Nesselrode and John Patterson*

The Standards Committee completed its work with RCC Consultants on developing the two RFP's necessary to implement the state 911 plan.

The first RFP was submitted to the state procurement office in July 2011—the RFP calls for a vendor to procure the network elements necessary to stand up a privately managed, secure IP enabled network (ESInet) to transport 911 calls. It also required the winning bidder to procure space for 911 applications in two tier 4 data centers and to provide network operations center services to monitor the network.

The second RFP on NG applications and appliances remained with the consultants for final preparation pending the release and negotiation on the network RFP.

The network RFP was finally released to the public in May of 2012 with a respond date in June.

At the close of the fiscal year two responses had been received by the procurement office and were under review.

\*NOTE: Determination that neither submission was 'responsive' to the RFP was made in August of 2012. Meaning there would be no award of an ESI Network contract for NG911 services. The follow up RFP for NG applications and appliances became a moot exercise.



## CMRS Audit Report

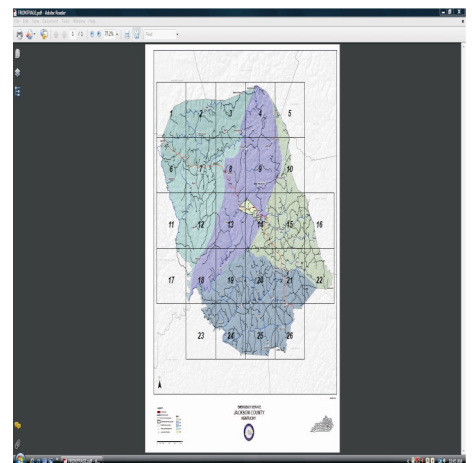
**Audit Committee Chairman:** *Chuck Willis*

**Committee Members:** *Joe Barrows and Tandy Hubbard*

**Staff:** *Krista Harrod*

CMRS staff and Audit Committee Chair oversaw the preparation and release of an RFP to acquire the audit service required by KRS 65.

A total of 5 CPA firms responded to the RFP. Based upon the scoring of the RFP the Board selected Ross & Co PLLC to be the Board's independent auditor and contracted with them to perform Board audits, PSAP audits, and Carrier audits through FY 2011, which would 'catch up' to a more current status the audits required by statute.



## CMRS AND 911 By The Numbers

### **CMRS Board**

- 115.....# of PSAPs Certified by the CMRS Board in Kentucky, including 16 Kentucky State Police Posts
- 49.....# of non-certified PSAPs (Universities, Secondary PSAPs, Airports . . . ) (estimate)
- 25.....# of Counties served by the Kentucky State Police for wireless 911 call taking as of June 30th, 2011
- 47.....# of Certified CMRS PSAPs that failed the Geo-Audit
- 100%.....Passing percentage of CMRS Geo Re-Audits

### ***MONEY IN (WIRELESS)***

- 42.....# of Wireless Providers remitting 911 fees to the Board
- \$16,255,019.....Total CMRS Board receipts in FY 2002
- \$19,982,055.....Total CMRS Board receipts in FY 2007
- \$24,542,365.....**Total CMRS Board receipts in FY 2012**
- \$2,043,502.....Average monthly receipts in FY 2012
- \$608,726.....Total deposited into the CMRS Admin account in FY 2012

### ***MONEY IN (WIRELIN)***

- 115/5.....# of Counties with/without local wireline 911 fees
- \$.50-\$4.50.....Local wireline fee range in Kentucky
- \$26,694,822.....Amount of revenue generated by wireline 911 fee, according to the results of the 2012 PSAP Survey

## **CMRS AND 911 By The Numbers (continued)**

### ***MONEY OUT***

- \$9,309..... Value of a PSAP Pro Rata payment in May 2002
- \$19,421..... Value of a PSAP Pro Rata payment in May 2007
- **\$20,670.....Value of a PSAP Pro Rata payment in May 2012**
  
- \$9,149,544.....Total PSAP Pro Rata payments released in FY 2012
- \$9,149,543.....Total PSAP Volume payments in released in FY 2012
- \$140,682,920.....Total paid to certified PSAPs since the inception of the CMRS PSAP payment program through FY 2012
  
- \$6,567,623.....Total CMRS Grant awards since the inception of the CMRS Grant program in 2006
  
- \$67,542,140.....Total Cost Recovery Fund distributed to wireless carriers
  
- 67.....# of Counties with CMRS Grant recipients
  
- 5.....# of CMRS Consolidation Grant awards

### ***WIRELESS WORLD***

- 1,281,177.....Total wireless subscribers in KY as of June 2002
- 2,539,195.....Total wireless subscribers in KY as of June 2007
- **3,282,098.....Total wireless subscribers in KY as of June 2012**  
(total population of Kentucky = 4,369,356)
  
- 302,900,000.....Estimated total of wireless subscribers nationally (2011)
- 22.....% of wireless subscribers that are prepaid (estimate)
- 26.6.....% of households now wireless only
  
- 296,000.....# of wireless 911 calls nationally per day
- 6,186.....# of wireless 911 calls in Kentucky per day (estimate)

### ***KENTUCKY 911***

- 1,225,479.....# of wireline 911 calls in Kentucky in FY 2012
- 2,456,778.....# of wireless 911 calls in Kentucky in FY 2012
- 117.....# of 911 authorities with Enhanced 911  
(98.6% of population)
- 6.....# of 911 authorities that are limited to Basic 911  
(1.4% of population)

## **Financial Report**

The CMRS Board collected approximately \$24.5 million in remittances from wireless Carriers doing business in the Commonwealth during Fiscal Year 2012, proving no significant increase or decrease over the previous year's revenues.

Wireless Carriers reported a total of 3,555,425 wireless subscribers with billing zip codes in Kentucky for the month of March 2012, in comparison, a total of 3,594,133 were reported for the same month in 2011, further illustrating our analysis that Kentucky's cell phone market is nearing saturation.

A variety of Personal Service Contracts were approved by the CMRS Board to carry out requirements of the Board outlined in both administrative regulations and statutes. These are:

- ♦ Goldberg and Simpson-\$235,107 was expended from the CMRS Administrative Account to support legal services provided by the law firm of Goldberg and Simpson for litigation against prepaid wireless providers not remitting the wireless E911 surcharge to the CMRS Board for their customers in the Commonwealth.
- ♦ Weiss-Serota -\$10,000 in insurance deductible was paid directly to the law firm of Weiss-Serota in Miami, Florida for legal services performed in response to litigation initiated in Florida State Court by a wireless service provider headquartered in Miami.
- ♦ Stantec Consulting-\$29,660 in CMRS Administrative dollars were used to re-audit CMRS certified PSAPs that did not pass their initial mandated CMRS Geo-Audit.
- ♦ RCC Consultants-\$45,006 was paid for services rendered in assisting the Board with the development of the RFPs needed to implement NG911 in Kentucky as described in the approved State 911 Plan.
- ♦ Ross and Company -\$30,000 was expended for the first phase of the Board's mandated Financial Audit that covers the books of the CMRS Board, PSAPs receiving CMRS Funds as well as Wireless Carriers remitting wireless E911 surcharges for subscribers whose billing address resides in Kentucky.
- ♦ Office of Geographic Information -\$35,000 was paid to the Commonwealth's Office of Geographic Information for work performed to compile the PSAP's annual mapping submissions into a seamless statewide map.

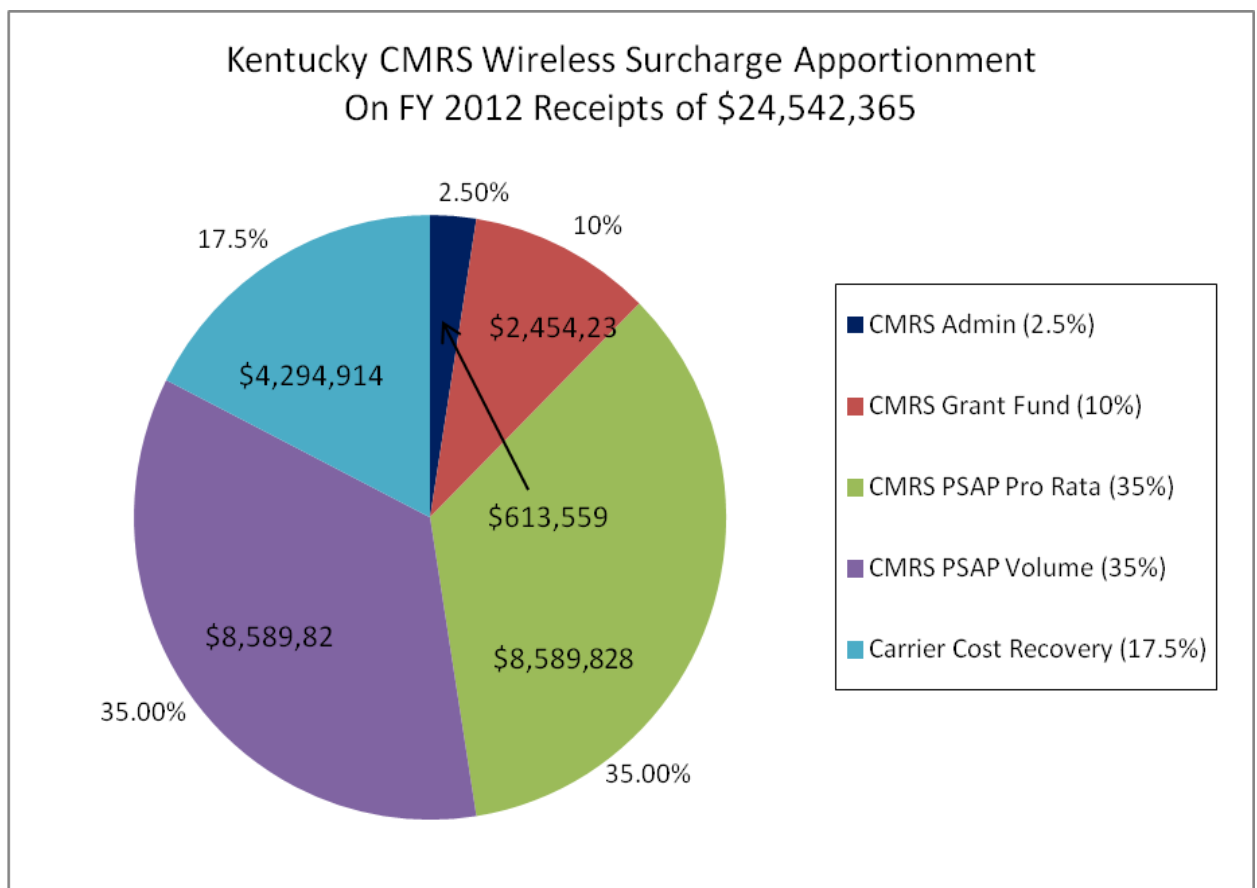


## Appendix A

### **CMRS Fund:**

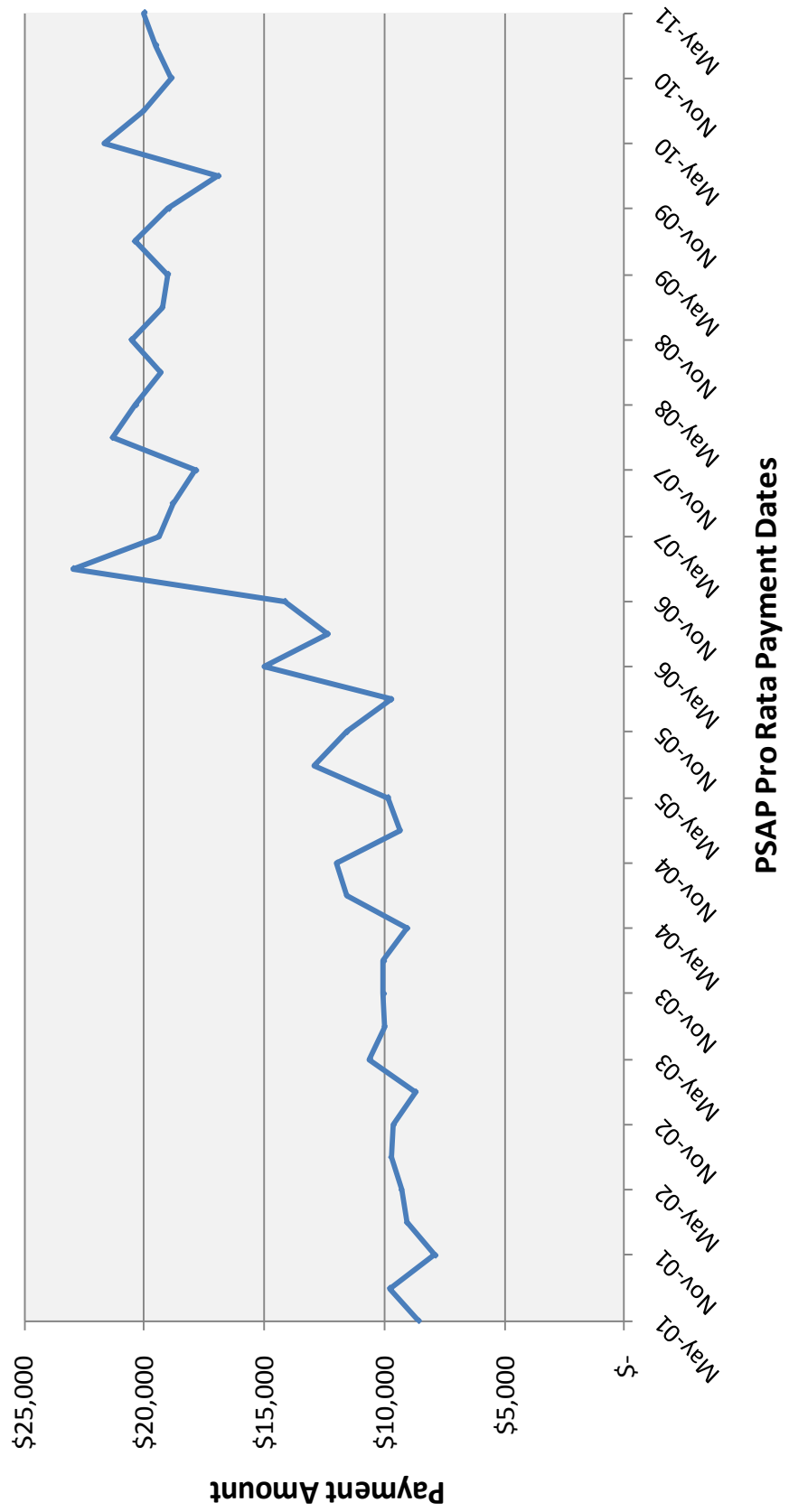
#### **Collection/Disbursement of the KY CMRS 911 Service Charge**

- Providers of wireless service collect the 911 service charge monthly and remit directly to the Board. The surcharge collected on postpaid devices is 70¢ per phone per month. The surcharge collected on prepaid devices averages less than 40¢ per phone per month.
- To reimburse itself for the cost of collecting and remitting the service charge a provider may retain 1.5% of the total it collected
- All receipts are deposited into the CMRS Fund and apportioned by statute into specific accounts
- Fiscal year receipts for the CMRS fund totaled \$24,542,365. The chart shows how receipts are apportioned





**CMRS PSAP Pro Rata Payments**



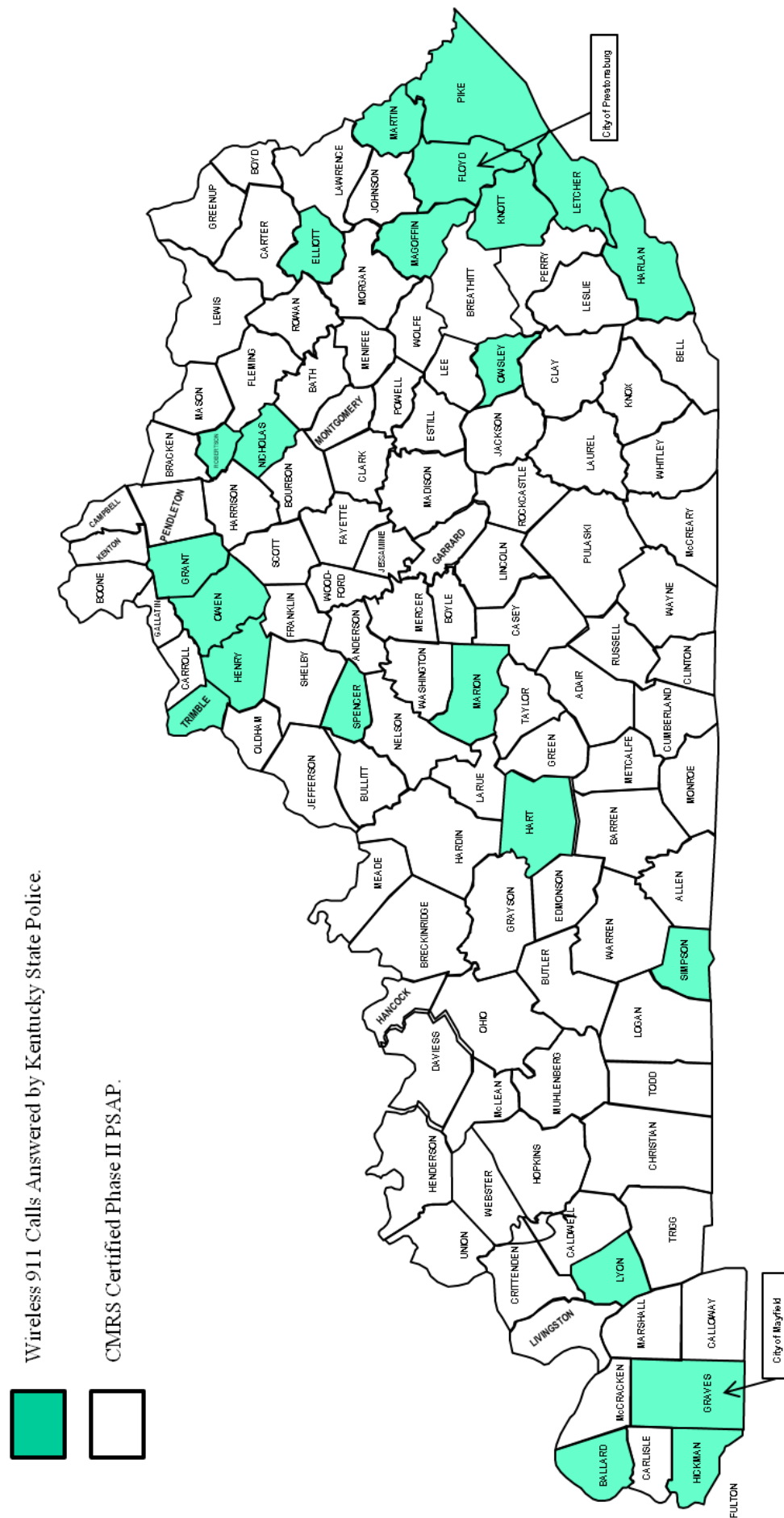
## Appendix C

### CMRS Grant Program– Master Ledger

Year	Recipient	Award Amount
2012	Regional Viper Project	\$ 89,884
2012	Muhlenburg County	\$ 14,214
2011	Northern Kentucky	\$ 348,050
2011	Marion County	\$ 125,000
2010	LFUCG/ Bath County	\$ 175,000
2009	Carroll County Fiscal Court	\$ 22,580
2009	City of Campbellsville	\$ 136,334
2009	City of Henderson	\$ 55,573
2009	City of Paintsville	\$ 85,173
2009	Daviess County Fiscal Court	\$ 31,000
2009	Daviess County Fiscal Court	\$ 10,334
2009	Greenup County Fiscal Court	\$ 6,559
2009	Hopkinsville-Christian County	\$ 226,621
2009	Jackson County Fiscal Court	\$ 34,907
2009	Menifee County Fiscal Court	\$ 32,055
2009	Muhlenberg County Fiscal Court	\$ 112,896
2009	Regional Public Safety Comm.	\$ 40,216
2009	Whitley County Fiscal Court	\$ 166,696
2008	Allen County Fiscal Court	\$ 17,548
2008	Bell County Fiscal Court	\$ 22,233
2008	Breckinridge County Fiscal Court	\$ 18,388
2008	City of Campbellsville	\$ 35,214
2008	City of Georgetown	\$ 60,076
2008	City of Owensboro	\$ 62,065
2008	City of Prestonsburg	\$ 22,091
2008	Jessamine County E911	\$ 32,908
2008	Jessamine County E911	\$ 19,952
2008	KSP	\$ 32,788
2008	LFUCG	\$ 177,015
2008	Logan County Fiscal Court	\$ 139,173
2008	Menifee County Fiscal Court	\$ 68,549
2008	North Pennyryle E911 Board	\$ 435,912
2008	Oldham County Fiscal Court	\$ 146,000
2008	Pendleton County Fiscal Court	\$ 159,637

Year	Recipient	Award Amount
2007	City of Anchorage	\$15,000
2007	City of Carlisle	\$52,000
2007	City of Morehead	\$87,652
2007	City of Paintsville	\$45,950
2007	Cumberland Valley ADD	\$45,040
2007	Elliott County Fiscal Court	\$82,000
2007	Fleming County Fiscal Court	\$52,245
2007	Greenup County Fiscal Court	\$27,000
2007	Lake Cumberland ADD	\$88,820
2007	LFUCG	\$147,457
2007	Marshall County Fiscal Court	\$24,101
2007	Meade County Fiscal Court	\$78,475
2007	Mt. Sterling	\$66,988
2007	Pendleton County Fiscal Court	\$19,707
2007	Regional Public Safety Comm.	\$8,980
2007	Simpson County Fiscal Court	\$38,476
2007	Wolfe County Fiscal Court	\$31,710
2006	Bell County Fiscal Court	\$37,461
2006	Carlisle County Fiscal Court	\$179,969
2006	CVADD on behalf of Clay County	\$69,263
2006	Edmonson County Fiscal Court	\$130,000
2006	KY River ADD	\$284,280
2006	Lake Cumberland Area Dev.	\$350,000
2006	Magoffin County Fiscal Court	\$19,500
2006	Martin County Fiscal Court	\$199,142
2006	Reg. Public Safety Comm. Center	\$23,767
Consolidation Award	Bluegrass 911 Central Communications	\$200,000
Consolidation Award	Campbell County/Covington	\$200,000
Consolidation Award	City of Owensboro/Daviess County	\$200,000
Consolidation Award	Hart County/ Kentucky State Police	\$200,000
Consolidation Award	Madison County/Berea	\$200,000
Consolidation Award	KSP-Hart County	\$200,000

## Appendix D



## Appendix E

### Wireline Surcharge Fees in Kentucky Counties 2012

*These figures represent the most recent results of the PSAP surveys conducted by the CMRS Board.*

Adair	2.00	Graves	1.00	Mercer	0.80
Allen	1.50	Grayson	2.42	Metcalfe	1.00
Anderson	1.89	Green	2.00	Monroe	1.50
Ballard	1.00	Greenup	2.50	Montgomery	3.00
Barren	1.00	Hancock	0.98	Morgan	1.00
Bath	3.00	Hardin	2.49	Muhlenberg	2.00
Bell	2.29	Harlan	1.25	Nelson	1.50
Boone	2.54	Harrison	4.00	Nicholas	0.00
Bourbon	1.00	Hart	1.50	Ohio	2.86
Boyd	*	Henderson	2.50	Oldham Business	3.40
Boyle	0.50	Henry	1.00	Oldham Residen- tial	2.00
Bracken	2.50	Hickman	1.00	Owen	1.00
Breathitt	1.35	Hopkins	0.32	Owsley	1.00
Breckinridge	1.00	Jackson	3.00	Pendleton	2.50
Bullitt	1.00	Jefferson	0.79	Perry	1.75
Butler	2.00	Jessamine	2.25	Pike	1.35
Caldwell	1.50	Johnson	1.73	Powell	4.00
Calloway	1.00	Kenton	2.80	Pulaski	0.00
Campbell	3.00	Covington	4.30	Robertson	0.00
Carlisle	3.00	Erlanger	4.30	Rockcastle	2.00
Carroll	1.25	Knott	1.50	Rowan	1.25
Carter	1.63	Knox	1.25	Russell	0.00
Casey	1.75	Larue	2.75	Scott	0.50
Christian	0.75	Laurel	2.50	Shelby	2.99
Clark	3.00	Lawrence	1.95	Simpson	2.00
Clay	4.00	Lee	1.07	Spencer	1.84
Clinton	2.50	Leslie	1.50	Taylor	1.00
Crittenden	0.60	Letcher	1.25	Todd	2.25
Cumberland	4.00	Lewis	3.50	Trigg	1.25
Davi- ess/Owensboro	1.25	Lincoln	3.00	Trimble	1.50
Edmonson	2.00	Livingston	0.60	Union	0.60
Elliott	1.00	Logan	2.00	Warren	0.68
Estill	3.00	Lyon	0.60	Washington	1.00
Fayette	2.38	Madison	3.50	Wayne	0.00
Fleming	4.00	Magoffin	4.00	Webster	2.00
Floyd Business	1.99	Marion	0.00	Whitley	2.00
Floyd Residential	0.99	Marshall Busi- ness	2.50	Wolfe	**
Prestonsburg Business	1.99	Marshall Resi- dential	1.50	Woodford	3.50
Prestonsburg Residential	0.99	Martin	1.00	*17% of base telephone rate **3% of property tax	
Franklin	1.00	Mason	1.70		
Fulton	1.00	McCracken	1.50		
Gallatin	2.00	McCreary	2.65		
Garrard	3.00	McLean	2.25		
Grant	2.00	Meade	1.00		
		Menifee	2.00		

## Appendix F

### CMRS Board Account Activity Summary—Fiscal Year 2012

	<b>Provider</b>
Beginning Balance	\$ 700,981.72
Carrier Deposits	\$ 4,368,979.82
Interest Deposits	\$ 3,559.44
Disbursements	\$ (4,925,671.82)
Adjustments	\$ 221,478.97
Ending Balance	\$ 369,328.13
	<b>Pro Rata</b>
Beginning Balance	\$ 2,260,579.59
Carrier Deposits	\$ 8,584,533.79
Interest Deposits	\$ 7,118.92
Disbursements	\$ (9,149,543.97)
Adjustments	\$ 553,182.13
Ending Balance	\$ 2,255,870.46
	<b>Volume</b>
Beginning Balance	\$ 2,260,578.52
Carrier Deposits	\$ 8,515,068.73
Interest Deposits	\$ 7,118.92
Disbursements	\$ (9,149,543.08)
Adjustments	\$ 622,647.19
Ending Balance	\$ 2,255,870.28
	<b>Administrative</b>
Beginning Balance	\$ 180,174.58
Carrier Deposits	\$ 608,217.91
Interest Deposits	\$ 508.48
Disbursements	\$ (661,830.05)
Adjustments	\$ -
Ending Balance	\$ 127,070.92
	<b>Interest</b>
Beginning Balance	\$ 386.71
Carrier Deposits	\$ -
Interest Deposits	\$ 21,491.10
Transfers	\$ (20,339.74)
Adjustments	\$ -
Ending Balance	\$ 1,538.07
	<b>Grant Fund</b>
Beginning Balance	\$ 4,795,930.40
Carrier Deposits	\$ 2,445,225.98
Interest Deposits	\$ 2,033.97
Disbursements	\$ (849,081.89)
Adjustments	\$ (1,556,617.96)
Ending Balance	\$ 4,837,490.50
<b>Total Fund Balance</b>	<b>\$ 9,847,168.36</b>
YTD Carrier Collections	\$ 24,522,026.23
YTD Interest Posted	\$ 20,339.73
<b>YTD Total Collected</b>	<b>\$ 24,542,365.96</b>

## Appendix G

### CMRS Administrative Fund Revenue/Expense Statement FY 2012

	Fiscal YTD 12 months ended 06/30/12	FY2012 CMRS Admin Budget
<b>REVENUE</b>		
Carrier Receipts	\$ 608,217.91	
Interest Posted	\$ 508.48	
Adjustments	\$ -	
<b>Total Income</b>	<b><u>\$ 608,726.39</u></b>	
<b>EXPENSES</b>		
<b>CMRS Direct Staff Expenses</b>		
Staff Salaries/Fringe	\$ 235,473.45	\$ 248,300.00
NG Project Manager % Salary/Fringe	\$ -	
Unemployment Compensation	\$ 60.48	
Workers Compensation	\$ 423.37	
Personnel Board Assessment	\$ 53.58	\$ 200.00
Security Guards	\$ 473.40	\$ 9,600.00
<b>CMRS Administrative Expenses</b>		
Employee Training	\$ 164.58	\$ 400.00
Prison Labor	\$ -	
Postage	\$ 437.96	\$ 150.00
Printing	\$ 472.92	\$ 100.00
Utilities	\$ 8,444.20	\$ 8,100.00
Rent	\$ 15,244.00	\$ 15,500.00
COT/Telephone/Conf bridge/Wireless	\$ 7,500.75	\$ 6,900.00
Computer Equipment	\$ -	\$ 1,000.00
kentucky.gov services	\$ -	
Office Supplies etc.	\$ 2,011.81	\$ 2,500.00
Copy Machine Supplies/rental	\$ 3,679.47	\$ 4,300.00
Dues/Subscriptions	\$ 600.00	\$ 800.00
Furniture/Office Equip	\$ -	\$ 500.00
Travel Employee	\$ 6,235.40	\$ 13,000.00
Carpool	\$ 5,632.24	\$ 4,000.00
Administrative Charges from KOHS	\$ -	
Exhibitor Premiums	\$ 250.00	
Other	\$ -	
<b>CMRS Board Expenses</b>		
Liability Insurance	\$ 25,773.00	\$ 9,000.00
Food	\$ 922.82	\$ 1,250.00
Travel Non-Employee	\$ 8,209.10	\$ 14,000.00
<b>CMRS Administrative Personal Service Contracts</b>		
Legal	\$ 245,107.37	\$ 220,000.00
Centerline Mapping Project	\$ 35,000.00	\$ 75,000.00
Financial Audit	\$ 30,000.00	\$ 40,000.00
Geo-Audit	\$ 29,660.15	\$ 35,000.00
RCC Consultant (wrong account)	\$ -	
<b>Total Expenses</b>	<b><u>\$ 661,830.05</u></b>	<b><u>\$ 709,600.00</u></b>